



5901 VENICE BOULEVARD
LOS ANGELES, CALIFORNIA 90034
213-936-5784 FAX: 213-936-3427

RECEIVED

SEP 14 1995

FEDERAL COMMUNICATIONS COMMISSION
DEPARTMENT OF COMMERCE

July 11, 1995

DOCKET FILE COPY ORIGINAL

Honorable Andrew C. Barrett
Commissioner
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

45 41

Re: Satellite Digital Audio Radio
Gen. Docket 90-357, Rm. No. 8610

Dear Commissioner Barrett,

In response to the Federal Communications Commission's Notice of Proposed Rulemaking No. 8610, (Infinity Broadcasting Corporation of California, licensee of KRTH Radio, Los Angeles, California submits the following comments on the proposed licensing and service rules for Satellite Digital Audio Radio ("DARS"). KRTH's parent corporation, Infinity Broadcasting Corporation, may submit its own comments in this docket prior to the comment deadline, but this letter is submitted to reflect the local perspective of KRTH Radio on the issue of Satellite DARS.

As General Manager of Radio Station KRTH, I am writing to express my concern about the significant impact that Satellite Digital Audio Radio ("DARS") and the licensing and service rules for DARS to be drafted by the FCC will have on KRTH and its listeners in the Los Angeles Area. KRTH, along with others in the broadcast industry, supports the Commission's attempts to make technological advances like digital radio available to listeners nationwide. It is important for the Commission to understand, however, that the decisions it makes in bringing about technological changes will dramatically alter the local marketplace for radio stations nationwide and are almost certain to have a negative effect on the ability of local broadcasters such as KRTH to serve their communities of license.



Chairman Hundt
July 11, 1995
Page 2

As you know, a radio station's basic FCC obligation is to provide the station's community of license with programs to listeners with local news and weather reports, disaster warnings, numerous public service announcements, traffic reports and weekly programs such as "It's Happening," "Close-Up," and K-EARTH Review" which address issues of concern to listeners in the Los Angeles metropolitan area. In the future, however, if KRTH is forced to compete for advertising revenue with 60 new state-of-the-art Satellite DARS "super stations" in our market, KRTH may also be forced to dramatically reduce or eliminate many of these local public affairs programs and community outreach efforts. Given the fixed costs of operating a radio station in a highly competitive market such as Los Angeles, any loss in national advertising revenues to satellite super stations, however small, will have a significant impact on KRTH's overall profits and our ability to serve local needs.

Although proponents of Satellite DARS will argue that KRTH's listeners in the Los Angeles area will continue to tune into the station for local information, the Commission needs to understand that local radio stations like KRTH survive on ratings alone. Our station needs listeners to tune in for a set amount of time each day in order to keep our ratings at a level sufficient to attract local and national advertisers. If 60 new satellite super stations are introduced in the Los Angeles area, listeners are likely to tune into existing broadcast stations like KRTH only for local information, as needed, thus causing our ratings to drop dramatically along with our revenue and our ultimate ability to remain financially viable. Due to the fact that the Commission's existing ownership rules limit single entities to the ownership of, at most, only four stations in a market, existing operators like KRTH have their "hands tied" by regulations even if they want to compete with satellite operators who will have 60 stations in every market.

As the Commission considers service and licensing rules for Satellite DARS, it should keep in mind that there are a number of ways to minimize the impact of satellite radio on existing community-based broadcasters such as KRTH. First, the Commission should remove existing national and local ownership limits on terrestrial broadcasters to allow a station like ours to compete fairly with satellite operators. Second, the Commission should avoid creating a competitive quality gap between existing radio broadcasters and satellite radio by allowing in-band on-channel terrestrial digital radio to be licensed first to determine if Satellite DARS is even needed. Third, satellite radio ventures should be prohibited from using ground-based equipment such as

Chairman Hundt
July 11, 1995
Page 3

terrestrial repeaters to reinforce their signals in urban areas where satellite signals are often blocked. Fourth, Satellite DARS licensees should be required to carry the niche programming (such as service to rural listeners, minority and ethnic groups) they have promised the FCC they would offer. Fifth, Satellite DARS services should be subscription-supported so that operators have an economic framework to permit delivery of niche programming to specialized or geographically dispersed markets. Sixth, because they are functionally equivalent to broadcasters, DARS operators should be subject to the same public interest obligations as broadcasters, including but not limited to reasonable access and equal opportunity provisions. Finally, in order to ensure that Satellite DARS is implemented in a manner that preserved and augments existing local radio, the Commission should allocate 50% of available frequencies to existing radio broadcasters or should open the DARS proceeding to allow new applicants.

KRTH looks forward to working with the Commission as the broadcast industry moves into the digital age. At the same time, KRTH urges the Commission to take into consideration the realities of the existing broadcast marketplace as it moves towards bringing technological advances to listeners of our station and other stations nationwide.

Sincerely,



F. Patrick Duffy
Vice President and General Manager

FPD:ch